

Airlie Privately Financed, Study of Records Shows

Airlie House, one of the nation's best known conference centers, is supported solely by private sources, a study of its corporate books indicates.

Airlie trustees have made available their financial and tax records to refute a charge that the center is secretly financed by the Pentagon, State Department, and Central Intelligence Agency.

The records studied by The Star contain no evidence that Airlie House has received covert funds. They also show that Airlie House was operating at a deficit from 1960, its first full year of operation, until the past three years when small annual surpluses were recorded. In addition, there is no indication of "dummy" foundation financing of the type which led to disclosures of secret CIA ties with other organizations earlier this year.

Airlie House, located on a 1,200-acre estate in Warrenton, Va., west of Washington, has been the center of hundreds of conferences sponsored by a wide number of influential private

A Statement on Airlie

The editors of The Star, having examined the records of the Airlie Foundation, are persuaded that this institution is privately financed. The foundation has demonstrated conclusively to them that it is not, as charged last week, secretly supported by the Central Intelligence Agency or other government agencies. There is no evidence that any member of the foundation's staff or board of trustees is connected with the CIA.

The Star retracts contrary implications in its articles on Airlie of September 14 and 15, and regrets embarrassment caused the foundation, its executive director, trustees and members of their families.

and public groups. Some of the nation's leading scientists and scholars, as well as prominent figures from Congress and the White House, have attended the private meetings there.

Mortimer Caplin, the commissioner of the Internal Revenue Service during the Kennedy administration and the current president of the board of trustees of the Airlie Foundation, described the struggles Airlie House encountered while rising to a position "second to none"

among similar private conference centers in the nation.

"It's been a very long and difficult road that has been followed," he said. "The record of the financial support of Airlie House has been open to the public from the beginning and I can state categorically that there has been no covert financing of the Airlie Foundation.

"I believe that Airlie House is making a major contribution to the intellectual and scientific

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progress of our nation, and it is an effort that has been made possible by the generous support of Dr. and Mrs. Murdock Head and other private individuals.

"Airlie has moved along from the preliminary meetings in 1960 right up to the fullybooked program that it has today. This has been no easy task. Groups that have attended the conferences at Airlie have paid only the minimal costs, and they have come to Airlie relying heavily on the credibility of the center which has been established over the years."

Caplin, who now practices law in the District, serves without pay as president of the Airlie Foundation, a nonprofit corporation. Dr. Murdock Head is the founder and director of Airlie House.

The charge of secret governmental support for Airlie was made last Thursday by William Higgs, a civil rights activist and supporter of radical causes. Most recently, he has worked with Julius Hobson in the successful court challenge to de facto segregation in the District. A lawyer by profession, he has been disbarred in Mississippi, and is not a member of the District bar. He has been working to gain enough petitions in Washington, Maryland, and Virginia to place the name of Dick Gregory, the Negro comedian, on the ballots as a third party candidate for president in next year's election.

Called Press Conference

Higgs called a press conference at his house, 618 D St. NE, and issued a 16-page, typewritten statement detailing his account of what he claimed were covert governmental ties to Airlie House. He would not say specifically what prompted his four-month personal investigation of Airlie. But when questioned about his motives, he indicated he was concerned about CIA involvement in domestic affairs.

His statement catalogued a number of specific allegations against the Airlie operation. These were immediately and flatly denied by Dr. Head, who said in a statement then:

"As the executive director of this foundation I can categorically state that the alleged support by the CIA can only be attributed to an overly fertile imagination, or for some reason unknown to us a deliberate attempt to falsify the facts."

The charge — and the denials — were carried in the last edition of The Star on Friday and

Subsequently, the Airlie trustees met with editors of The Star to provide point-by-point rebuttals of the allegations. They made available copies of Airlie Foundation's 1966 federal income tax returns as well as a financial report of the foundation dated Dec. 31, 1966, and prepared by Curran & Company, a certified public accounting firm in New York City.

5 Points Listed

In detailing what they said were specific errors in Higgs' account, the Airlie trustees made these points:

1. Higgs claimed that an investigation of Mrs. Head's parents, Lillian and Robert Gibson, showed they had few assets. He said a credit report showed Gibson worked as a washing machine salesman and his wife was employed by a beauty parlor. In fact, the Gibsons are not Mrs. Head's parents. Mr. Gibson, a retired Army major, is Dr. Head's stepfather and Mrs. Gibson is his mother. Mrs. Gibson is a retired Louisville (Ky.) businesswoman who owned, among other things, three beauty salons.

2. Higgs asserted that "an elaborate system of electronic bugging" equipment had been installed in Airlie's main conference building and was capable of secretly monitoring the conversations of conference participants. In fact, the trustees stated, Airlie House includes facilities for taping and recording conference sessions—but only if the conference director wishes to use them and so requests. Recording are made at the expense of the conferees. There are no "bugging" devices. And, since Airlie does have conferences where classified information is discussed, "obvious precautions are taken to preclude monitoring."

3. Higgs alleged that Airlie House maintained a large medical clinic and had two physicians specializing in plastic surgery on its staff. In fact, the trustees said, both statements are false. Originally, Airlie House did have a small outpatient clinic to serve conference participants, but it ceased operation four years ago. There never have been any plastic surgeons on the staff there.

4. Higgs implied that CIA ties to Airlie were demonstrated by the fact that one of the foundation directors once worked for that agency. He identified

brother-in-law, at present assistant secretary of defense for international affairs, as "a former CIA employee." But, the trustees said, Higgs neglected to say that Sisco worked only six months for CIA in 1950.

5. Higgs concluded that what he claimed was a failure to find any source of substantial income for Airlie, and the foundation's "extensive ties with former intelligence officers and federal employees," convinced him of secret government links. The foundation records clearly disprove any such conclusion.

Income From Fees

The 1966 income tax returns, for instance, show the principal source of income—\$448,893.81—came from standard conference fees. The next largest source of income, \$73,630.87, were from television and film production receipts.

Only a total of \$42,665 was listed as income received from gifts and contributions from other sources, and a large part of those gifts came personally from Dr. and Mrs. Head. The other contributors were from individuals and organizations known to be free of customary CIA conduit channels.

In addition, the company's records show a number of notes due and owing to Dr. and Mrs. Head.

Besides Caplin, the following are listed as officers and members of the board of trustees: Edwin L. Bain, treasurer; Dr. Brian Blades, Gen. Lemuel C. Shepherd, J. Henry Berne, secretary; Newton Minow, Joseph J. Sisco, Jane G. Head and Edward L. Katzenbach Jr. Berne is the only member to receive any financial remuneration—\$3,000 a year.

Operations Described

In the tax return filed with the U.S. government, the foundation describes its operation and itself in these words:

"Airlie Foundation, a nonstock corporation, was originated primarily to promote an understanding and appreciation of the interrelationships which exist in the physical and social sciences, and to disseminate basic factual material relating to these sciences. In the pursuit of these objectives, in 1966, its main activity was the operation of a conference center for educational, scientific, and governmental organizations involved in fields local, national and international.

A secondary operation was the production and distribution of motion picture films in education, the sciences, and the arts. These films were produced for governmental and professional organizations, as well as for the general public through the medium of television. In these activities, Airlie Foundation has worked in close cooperation with universities, professional societies, federal agencies."